Application Packet

Community Development Block Grant (CDBG)

Public Service Grants for County Fiscal Year (CFY) 2017
(July 1, 2016 – June 30, 2017)

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DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Isiah Leggett.
County Executive

Clarence J. Snuggs
Director

August 4, 2015

Dear Applicant

For County Fiscal Year 2016, (July 1, 2015 – June 30, 2016), the County awarded $540,000 to fourteen (16) nonprofit organizations providing services to lower-income county residents through the federal Community Development Block Grant (CDBG) program. As of this writing, we are unsure of the funding that will be available for CFY 2017 awards, but we anticipate a similar amount.

I encourage you to review the "Fact Sheet and Funding Policy" and the "Application Instructions," prior to completing and submitting an application. Our Grants Administration staff will be glad to answer any questions or provide technical assistance in discussing a particular funding proposal or completing an application.

Also, we welcome your attendance at, and participation in, our annual public hearing where you can express your ideas and concerns about our past performance, current needs, and future community development funding priorities. The hearing is scheduled for Wednesday, **October 21, 2015 at 7:30 p.m**. Call Roslyn Mordecai at (240) 777-3621 in September to register to testify.

Thank you for your interest in the CDBG public service grant program.

Sincerely,

Christopher J. Anderson, Acting Chief
Community Development Division

Facts in Brief

❖ The maximum grant amount that may be requested for CFY 2017 is $45,000.

❖ Any funds awarded will not be available until on or after July 1, 2016.

❖ The application deadline is Friday, **September 18, 2015** at 4:00 p.m.

❖ Beginning this year, applicants must use the fillable Adobe PDF application form available online. Applicants are also strongly encouraged to email the application and attachments. See page 10 for detailed instructions.

❖ Only complete applications received by the deadline will be considered.

❖ If you have additional questions, you may call the Grants Administration staff at (240) 777-3631 (Matt Greene) or (240) 777-3794 (Trivens Kargbo).

❖ This application packet and the application form are available online at:

http://www.montgomerycountymd.gov/DHCA/community/grants/index.html

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This packet contains information about the Community Development Block Grant (CDBG) program and instructions for applying for CDBG public service grants. The application itself is available separately on the County's website at the link above. To discuss whether or not a specific proposal may be eligible for these funds or to learn more about the application requirements, please call Matt Greene of the Grants Administration and Special Projects staff of the Department of Housing and Community Affairs at (240) 777-3631 or contact him via email at *Matthew.Greene@montgomerycountymd.gov*

Public Service Grant
Fact Sheet and Funding Policy

A. Introduction

Montgomery County receives a Community Development Block Grant (CDBG) annually from the U.S. Department of Housing and Urban Development (HUD) to fund activities that primarily benefit low- and moderate-income (LMI) residents of the community. Each year, Montgomery County uses a competitive application process to make a portion of its CDBG funds available to non-profit groups in the form of public service grants. Eligible public service activities include, but are not limited to, programs concerned with eviction prevention, housing-related supportive services, employment, crime prevention, positive youth development, health care, education, mental health, welfare, or recreation.

B. Background on Federal Funding Source

To help potential applicants determine whether or not their project might be eligible for a public service grant, it is important to be familiar with the basic requirements of the CDBG program. Potential applicants should also review the contractual requirements they will be expected to meet if they are selected for Federal funding (see Section F. Contractual Requirements).

In addition to the provision of public services funded with CDBG dollars, the county, through the Department of Housing & Community Affairs, directly administers CDBG funds to carry out a wide range of community development activities such as neighborhood revitalization, economic development, and the provision of improved community facilities and services.

By regulation, only a relatively small amount of CDBG funds may be used for public services. Last year the County received roughly $4.1 million in CDBG funds, and the amount available to nonprofits for public service grants was $540,000. The amount of funding for fiscal year 2017 has not been determined.

CDBG National Objectives

Federal legislation and regulations have established national objectives that all CDBG funded activities must meet.

Low and Moderate Income (LMI) Benefit: Public service activities are required to meet the national objective of benefit to LMI persons. For an activity to meet this objective, it must either have income eligibility requirements that limit the activity's benefits to LMI persons, or the activity must be located in and serve an area that is predominantly inhabited by LMI residents. A countywide map of CDBG eligible areas is shown on page 8.

CDBG Income Limits

The income limits that determine who is considered to have a low- and moderate-income (LMI) are shown below:

HUD Income Limits – Effective March 6, 2015

Section 8 Definition	Extremely Low	Very Low	Low
CDBG Definition	Very Low	Low	Moderate
Family Size	(30% of median)	(50% of median)	("80%" of median*)
1	22,950	38,250	47,600
2	26,200	43,700	54,400
3	29,500	49,150	61,200
4	32,750	54,600	68,000
5	35,400	59,000	73,450
6	38,000	63,350	78,900
7	40,650	67,750	84,350
8	43,250	72,100	89,800

* These figures are less than 80% of Local Area Median Income, as determined by HUD for Montgomery County due to prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

To meet this objective, each public service activity must serve no less than 70 percent LMI persons (although the County reserves the right to require that each activity serve a greater percentage of LMI persons.) The applicable percentage will be determined at the time a grantee's contract is drafted, but applicants should plan to meet the highest number of LMI persons possible.

It is imperative that applicants anticipate, plan and describe in detail in their application the methods they will use to determine and document the incomes of the persons that they serve through their CDBG funded activities. Failure to do so may result in activities being ineligible for reimbursement and could require repayment of previously approved payments in the contract.

C.   County Policies and Priorities for Public Service Grants

Each year, Montgomery County receives many more applications for CDBG public service grants than there are funds available. The competition is greatest among applicants requesting funds for staff and operating costs associated with providing services to some of our most vulnerable residents: the elderly, children and youth, recent immigrants, the homeless, people with mental and physical disabilities, and victims of violence.

In addition to the Federal requirements, Montgomery County has developed policies and priorities to guide its use of CDBG funds. These policies and priorities are based on federal requirements for the CDBG program and local needs and funding priorities.

Policies

These general policies and priorities apply to all applications for CDBG funds:

- Public service grant amounts are capped at $45,000;
- CDBG funds will not go to one organization for the same project (or a substantially similar project) for more than three (3) years;
- Grantees who receive funds in year one, are not guaranteed funding in years two and three – future funding is dependent on many factors, including performance;
- CDBG funds may not be used for "entertainment" which includes field trips, amusement, trinkets or souvenirs, and any costs directly associated with such costs (such as tickets or transportation to shows or sports events);
- Grantees may only lease, not purchase, capital equipment with CDBG funds; and,
- The acquisition of land, or the construction, acquisition, and/or rehabilitation of buildings is not eligible for a public service grant. (For information on loan programs that may be available to fund these activities, please contact Grants Administration staff at (240) 777-3685 or (240) 777-3794.

Priorities

Funding priority will be given to activities that:

- provide services that respond to critical, identifiable, and unmet needs;
- have a high benefit to low-income persons;
- are clearly defined as to scope, location, need, budget, goals, beneficiaries and means for evaluation of program progress, with evaluation criteria that are specific, measurable, and realistic;
- present a reasonable, sound budget and have a clear plan of action that is consistent with the budget and that demonstrates that the applicant has the capacity and the capability to implement the proposed plan successfully;
- maximize the use of outside funds (non-CDBG or other county funds) ;and,
- support or coordinate with other community development efforts.

In addition, because the demand for these funds exceeds the amount received from HUD, the County is committed to funding projects that are ready to proceed immediately after funds are received, and those prepared to spend the funds within a twelve-month period (any funds that are not spent within this timeframe may be recaptured by the County.)

Participating and Non-Participating Jurisdictions in the County

The City of Takoma Park operates its own Community Development Block Grant program which provides public service grants. If some or all of your intended beneficiaries are likely to be residents of Takoma Park you may consider applying for funds from that program. It is permitted to fund grantee programs and activities from different sources,

including CDBG funds from separate jurisdictions. You can find more information on the Takoma Park program online: http://www.takomaparkmd.gov/hcd/community-grants.

The following jurisdictions do <u>not</u> participate with the County in these programs; therefore, no activities that operate within these areas, or that serve residents of these areas, may be funded with CDBG funds: Town of Barnesville, Chevy Chase View, Chevy Chase Village, Village of Chevy Chase (Section 3), Town of Laytonsville, and Martin's Additions.

D. **Community Development Advisory Committee**

Deciding who should receive funding is a difficult and time-consuming process. To guide this effort, a group of dedicated volunteers is appointed by the County Executive to sit for three-year terms on the Community Development Advisory Committee (CDAC). Committee members, all of whom are County residents, review applications and meet with eligible applicants to discuss funding requests.   Working with staff from DHCA, and with input from the Director of DHCA, the CDAC recommends to the County Executive which applicants should receive funding and in what amounts.

E. **Application Review and Recommendations**

Applications for public service grants are accepted by DHCA on an annual, cyclical basis. The deadline date for submission of applications varies slightly from year to year, but it is usually in mid-September. Projects submitted after the deadline will not be considered for review unless it can be demonstrated that the application is for funding of an emergency nature or represents a unique, one-time opportunity that cannot wait for the normal round of applications. These out-of-cycle requests will be reviewed at the discretion of the Director of DHCA.

All applications are reviewed by the staff of DHCA to determine eligibility under HUD's criteria and conformance with the County's CDBG funding policies and priorities. All applications accepted for competition are then reviewed by the CDAC.

After discussion and consultation through the review process, applications will be recommended for funding to the Director of DHCA and to the County Executive. The County Executive will then make recommendations to the County Council as part of the overall budget process.

The County Council, as part of the budget process, then makes the final selection of those activities and projects to be funded with CDBG funds. The Council usually approves the budget in June. In reality, activities proposed in the fall are funded in the County's next budget year (which begins July 1.) Due to HUD restrictions and clearances that must be obtained, funds are generally not available until after the following September first of each year.

F.   Contractual Requirements

Each grantee selected to receive funds is required to sign a contract with the County. No costs incurred prior to the execution of an agreement with the County are reimbursable. Under County and Federal laws and regulations, certain requirements must be met in order to negotiate an agreement and disburse funds. These requirements include the following:

1. Applicants must demonstrate that they are a private nonprofit organization or a governmental agency.

2. After an application is approved for funding, a contract will be prepared and sent by the County to the person identified by the applicant as the authorized official for signature. The contract will specify the amount of the award, the period for which the project is approved, the contract term, and administrative provisions. Special conditions attached to the award also will be specified in the agreement. Grantees will be required to file regular reports on expenditures, progress toward goals, and beneficiaries. DHCA will provide forms for these reports.

3. Grantees are required to obtain insurance as specified by Montgomery County, and to comply with all applicable federal, state, and local laws, codes, and regulations. The cost of insurance is reimbursable as a project expense.

4. As part of any grant agreement, recipients will be required to comply with affirmative action and equal opportunity laws. In the event of non-compliance, the agreement may be terminated or suspended in whole or in part.

5. All recipients will be required to comply with the federal government's audit requirements as described in OMB Circular A-133 (for HUD's programs, these requirements are codified at 24 CFR Part 84.) Recipients receiving $500,000 in federal funds from all sources in a single year must have an annual audit. The cost of an audit is an eligible grant cost.

G.   Other Important Considerations for Applicants

CDBG funds are not intended to be an on-going source of funds for an organization. Under the CDBG Public Service Grant program, an organization may generally only receive funding for up to three years for the same program or activity. However, there is no guarantee that approved projects will receive funding in years two and three. In addition, for those organizations that are successful in receiving second and third year funds, the amount of CDBG funds awarded is often reduced from the previous years' amounts.

Finally, please be aware that even if your application is successful, the CDAC may recommend that the applicant be awarded a lower level of funding than was requested. Please develop a contingency plan to account for a smaller CDBG award.

Map 1: Low and Moderate Income Areas and Non-participating Jurisdictions in Montgomery County
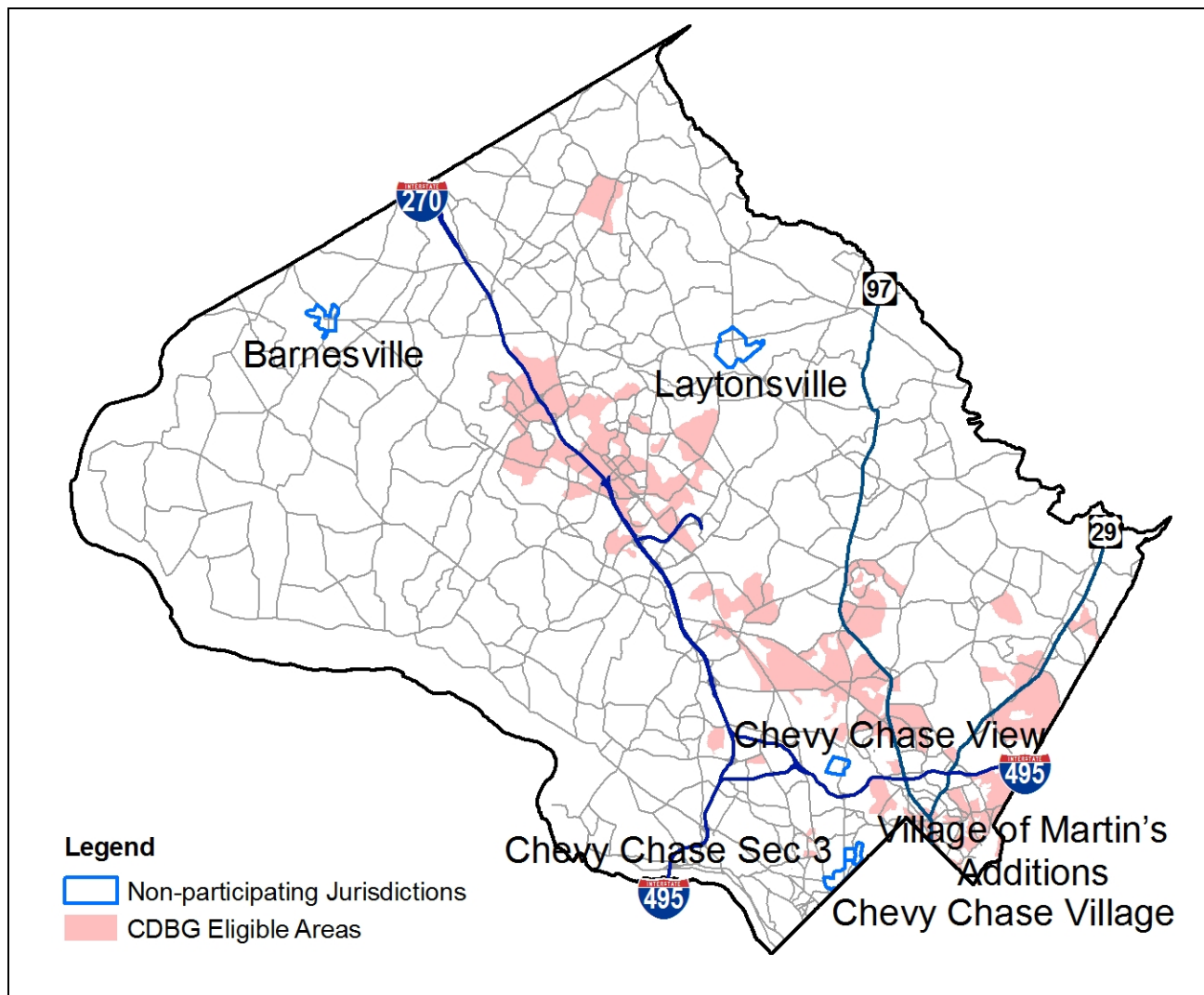
(Source: U.S. Department of Housing & Urban Development)

Public Service Grant
Application Instructions

WHO SHOULD APPLY?

<u>Nonprofits</u>: Only nonprofit organizations are eligible to apply for public service grants. Nonprofits must be incorporated under state law, and they must have a 501(c) (3) or similar designation from the U.S. Internal Revenue Service. An organization whose 501(c)(3) status is pending may still apply, but it must ensure that the nonprofit designation will be in place before the beginning of the fiscal year (July 1, 2016). For-profit entities are not eligible to receive public service grants. Corporations must have, and document, a status of "good standing" in the state in which they are chartered.

<u>Government Agencies</u>: Governmental and quasi-governmental agencies, including County agencies, may apply for public service grants. However, these agencies are strongly encouraged to apply in partnership with a local nonprofit organization. The nonprofit organization should be, whenever practical, the primary applicant. If you feel this program can be more efficiently and effectively delivered solely by a governmental agency, please provide a detailed explanation in question 6 of the application.

ARE THERE SUBMISSION REQUIREMENTS THAT I SHOULD KNOW ABOUT?

1. Submit a separate application for each project for which you are requesting funding.

2. Complete all the information requested in the space provided in the application. Do not vary your submission from the sequence or format presented in the application or attempt to edit the application in order to provide more space.

3. **<u>Only COMPLETE applications received BY THE DEADLINE will be reviewed and considered for funding.</u>** Use both the Completeness Checklist and the Attachments Checklist included in this application packet to help ensure that your application is complete (these are for applicant use only and should not be submitted with the application). Applicants will be notified if their submission is on time and substantially complete, but is missing only missing MINOR information, such as a federal identification number. Applicants will be given seven days to provide any minor, missing information. Minor omissions do <u>not</u> include application questions that have been left unanswered or failure to submit a budget or requested attachments.

HOW MUCH MAY I REQUEST?

Applicants may not request more that $45,000 for any one project. There is no minimum grant amount for which you may apply.

WHERE SHOULD I SUBMIT MY APPLICATION? IS THERE A DEADLINE?

Applicants must use the fillable Adobe PDF application form available at http://montgomerycountymd.gov/DHCA/community/grants/index.html and email the completed application to cdbg@montgomerycountymd.gov no later than **4:00 p.m., Friday, September 18, 2015.** Applicants are also encouraged to email the required attachments, preferably in one, or in as few, separate documents as possible. You will receive a reply email as a confirmation of delivery of your application materials.

If you are submitting hard copies of any attachments, you must provide three copies and submit them in person to:

Montgomery County Department of Housing & Community Affairs
Grants Administration and Special Projects Section
100 Maryland Avenue, Fourth Floor
Rockville, MD 20850

I HAVE SUBMITTED AN APPLICATION; WHEN WILL I HEAR ABOUT FUNDING?

If the County Council approves your application, funds will most likely become available between July 1 and August 31. Major milestones are as follows:

- Notification that your application has been received (unless you hand-delivered the application and received a receipt upon delivery) - *September, 2015*

- Staff reviews your application for completeness and eligibility. Applicants are notified in writing if an application is deemed ineligible for funding. - *October, 2015*

- The Community Development Advisory Committee (CDAC) holds a public hearing to solicit community input regarding priority needs – *mid-October, 2015*

- CDAC members review applications; applicants are scheduled to meet with members to discuss their applications and answer questions - *October/November/December, 2015*

- CDAC recommendations are forwarded to the Director of DHCA and then to the County Executive - *January/February, 2016*

- Applicants are notified in writing of the County Executive's recommendations - *March, 2016*

- County Executive submits recommended budget to the County Council; County Council holds hearings on the budget - *March/April, 2016*

- County Council makes final funding decisions that are reflected in the approved budget - *June, 2016*

- Staff and grantees discuss contract language and requirements; staff draft contracts – *June - September, 2016*

- Staff and grantees finalize and execute contracts - *July – September, 2016*

- Grantee receives Notice to Proceed, delivers services and spends funds - *Twelve month period, beginning with Notice to Proceed, 2016 through 2017*

INCOME LIMITS

Any CDBG funded activity must serve at least 70 percent low- and moderate-income (LMI) persons. The most recent income levels for these two categories are shown on page 4. **It is imperative that applicants anticipate and plan for the methods they will use to determine and document the incomes of the persons that they serve through their CDBG funded activities. Failure to do so may result in activities being ineligible for reimbursement.**

WHAT IF I HAVE QUESTIONS?

Staff of the Grants Administration and Special Projects Section encourages your questions and are available to provide technical assistance over the telephone or in person. You may contact us by calling Matt Greene at (240) 777-3631 or Trivens Kargbo at (240) 777-3794.

Completeness Checklist and
Table of Contents for Application
(for applicant use only – do not submit)

       This completeness checklist is provided to help you ensure that your application is complete and includes all the required elements. Place an "X" in the space provided once a particular piece of information is included and a section is complete.

_____   Cover Page

_____   Organization Certification

_____   Organization Information

_____   Project Description
       (IMPORTANT: Specific Project Goals, question #4c.)

_____   Project Goals / Performance Measures
       (IMPORTANT: Unmet needs, unique features)

_____   Beneficiary Description

_____   Budget
       (IMPORTANT: Fill out COMPLETELY on form provided)

Attachment Checklist
(for applicant use only – do not submit)

Please use this checklist to ensure that you have all necessary attachments. Please label the documents for submission using the document name and numerical order below. Please place all attachments at the **end** of the application.

_____ 1. Internal Revenue Service letter granting tax exempt nonprofit status 501(c)(3) or similar.

_____ 2. Board of Director's listing including names, titles, terms of office (if any), and addresses of all members.

_____ 3. Organizational chart or organizational structure.

_____ 4. Organization's total fiscal budget (current year) and most recent audit.

_____ 5. Resumes of chief administrative and chief fiscal officers, and key staff who will work on the proposed project (if known).

_____ 6. Two (2) letters of community support (from other organizations, former or current clients, elected officials, etc.).

_____ 7. Documentation of corporate "good standing" status from state in which corporation is chartered. (For Maryland corporations, you can obtain documentation of Good Standing at no charge by going on line to http://sdatcert3.resiusa.org/UCC-Charter/pages/CharterSearch/default.aspx, entering your corporate name in the "Name Search" box, clicking on the "General Info" tab for your organization. This needs to show Good Standing as Yes"Please print and scan, print to PDF, take a screen shot, or otherwise prepare this information for electronic submission . Include this page with your application.)

NOTE: Organizations whose projects are approved for funding will be required to enter into a contract with Montgomery County for implementation of the funded activity. This contract will contain provisions that will ensure compliance with all federal, state, and local laws and regulations. Upon execution of the contract and depending upon the type of activity, the organization will be required to submit other documents and information including, but not limited to sample agency or organization timesheet and proof of insurance coverage.